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1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

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3 UNITED STATES OF AMERICA,

New York, N.Y.

4 v.

S11 16 Cr. 0692-7(JMF)

5 IVARS OZOLS,

6 Defendant.

7 -----x

8 May 24, 2018  
9 2:59 p.m.

10 Before:

11 HON. JESSE M. FURMAN,

12 District Judge

13  
14 APPEARANCES

15 GEOFFREY S. BERMAN

16 United States Attorney for the  
17 Southern District of New York

BY: JEFFREY COFFMAN

18 NATHAN MARTIN REHN

Assistant United States Attorneys

19 MARLON GEOFFREY KIRTON

Attorney for Defendant

20 - also present -

21 SA Christina Fox, FBI

22 Isabelle Avrutin,

23 Russian Language Interpreter

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1 THE CLERK: Matter of the United States v. Ozols, 16  
2 Cr. 692.

3 Counsel, please state your name for the record.

4 MR. COFFMAN: Jeffrey Coffman for the government. I'm  
5 here with Special Agent Christina Fox of the FBI and Assistant  
6 U.S. Attorney Thane Rehn.

7 Good afternoon, your Honor.

8 THE COURT: Good afternoon to the three of you.

9 MR. COFFMAN: If I could apologize? I was the only  
10 one of the three of us who was late getting here today.

11 THE COURT: So I was told and I appreciate your  
12 apology. I know you were stuck in another proceeding. So, no  
13 problem.

14 MR. KIRTON: Good afternoon, your Honor. Marlon  
15 Kirton for Mr. Ozols.

16 THE COURT: Good afternoon to both of you as well.

17 You may be seated.

18 It is pronounced Ozols, is that correct?

19 THE DEFENDANT: Ozols.

20 THE COURT: All right. Mr. Ozols, my name is Jesse  
21 Furman. I'm a United States District Judge here in the  
22 Southern District of New York and have been assigned to your  
23 case, which means that I would be the judge who would preside  
24 over any trial in the event that you were to go to trial and  
25 would also be the judge if you were convicted of any offense

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1 who would ultimately sentence you.

2 The purpose of today's proceeding is to arraign you on  
3 the Indictment, S11 16 Crim. 692, charging you with one count  
4 of conspiracy to commit wire fraud and bank fraud, one count of  
5 conspiracy to commit money laundering as well.

6 Now, before I proceed to that arraignment and also to  
7 set a schedule, let me just confirm, we're joined here by a  
8 Russian language interpreter, Ms. Avrutin. Let me confirm that  
9 you are able to understand her?

10 THE DEFENDANT: Yes.

11 THE COURT: All right. If at any point during today's  
12 proceeding you have any trouble understanding her or if there  
13 is a problem with the headphones, I want you to let me know  
14 right away so that we can take care of that problem. OK?

15 THE DEFENDANT: Yes.

16 THE COURT: Very good.

17 Counsel, anything to discuss before I proceed to the  
18 arraignment?

19 MR. COFFMAN: Not from the government's perspective,  
20 your Honor.

21 MR. KIRTON: No, your Honor.

22 THE COURT: All right. In that case, Mr. Ozols, if  
23 you would please rise.

24 Have you seen a copy of the Indictment, S11 16 Crim.  
25 692, charging you with the two counts that I mentioned a moment

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1 ago?

2 THE DEFENDANT: Yes.

3 THE COURT: Have you discussed it with your lawyer?

4 THE DEFENDANT: Yes.

5 THE COURT: Has it been translated for you into either  
6 your native language or a language that you are able to  
7 understand?

8 THE DEFENDANT: No.

9 THE COURT: It was not translated for you?

10 THE DEFENDANT: No. It was translated to me verbally.

11 THE COURT: All right. But was it translated from  
12 English into whatever language you speak? Did someone read it  
13 to you?

14 THE DEFENDANT: Yes.

15 THE COURT: OK. Very good.

16 And would you like me to read the charges out loud, or  
17 do you waive their public reading?

18 THE DEFENDANT: I understand what is going on.

19 THE COURT: Now, would you like me to read the charges  
20 out loud or that's not necessary?

21 THE DEFENDANT: No, I understand what it is all about.

22 THE COURT: All right. I'll treat that as a waiver.  
23 And how do you plead at this time, guilty or not  
24 guilty?

25 THE DEFENDANT: Not guilty.

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1 THE COURT: All right. Thank you. You may be seated.

2 Mr. Coffman, could you please tell me, and perhaps  
3 more for the benefit of defense counsel and the defendant, a  
4 little bit about the charges in this case and, for my purposes,  
5 what role Mr. Ozols allegedly played since I do have some  
6 familiarity with the overall alleged scheme.

7 MR. COFFMAN: Certainly, your Honor.

8 As alleged in the Indictment, this defendant and his  
9 codefendant Madars Jankevics were part of a larger conspiracy  
10 of primarily Latvian and Lithuanian individuals who came to the  
11 United States, opened companies in New York State initially and  
12 bank accounts in New York State and specifically in the  
13 Southern District of New York, into which money was paid by  
14 victims of a scheme who were led to believe that they were  
15 purchasing boats and cars and machinery when in fact the  
16 members of the conspiracy -- I'm sorry, I should slow down --  
17 did not intend to and did not actually produce those items to  
18 the victims.

19 This defendant, Mr. Ozols, came to Manhattan, opened  
20 bank accounts, withdrew funds from those accounts typically in  
21 amounts under \$10,000, paid money to other members of the  
22 conspiracy, including by sending money back to Latvia. He  
23 then, in around March of 2017, went to Florida, where he opened  
24 additional bank accounts and received additional victims' money  
25 and did the same thing -- withdrew it, gave it to other members

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1 of the conspiracy.

2 Your Honor, the government's investigation is ongoing,  
3 and that is to say there is additional conduct that's beyond  
4 the timeframe alleged in the Indictment that the government  
5 continues to investigate but it is the same sort of conduct.  
6 But to answer your Honor's question about the defendant's  
7 particular role, he was, as far as we could tell at this  
8 moment, someone who opened up accounts, withdrew money, and  
9 gave that money to other members of the conspiracy.

10 THE COURT: All right. To the extent that you refer  
11 to an ongoing investigation into conduct beyond the scope of  
12 what is charged, would you anticipate superseding?

13 MR. COFFMAN: So, your Honor, it is possible that we  
14 will supersede because there are additional bank accounts, that  
15 we were not aware of at the time of the Indictment, and so  
16 additional funds.

17 I also need to correct something that I told your  
18 Honor. This defendant did not open his own accounts in  
19 Manhattan. His accounts were all opened in Florida.

20 THE COURT: All right. Thank you.

21 I would think -- I mean, obviously it is up to you  
22 whether you seek to supersede, but since the two charges are  
23 conspiracies, presumably if it is within the scope of the same  
24 alleged conspiracy, I wouldn't necessarily think learning about  
25 additional accounts or additional discrete conduct would

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1 necessarily require it but, again, that's up to you.

2 MR. COFFMAN: Right. Your Honor's point is well  
3 taken. Some members of the conspiracy, and I don't yet know  
4 whether this defendant is one of them, actually used the  
5 identification of other people, which might require an  
6 additional charge of aggravated identity theft.

7 THE COURT: Understood.

8 All right. Can you tell me what the status and nature  
9 of discovery is? And I would note, obviously, the other  
10 defendant, Mr. Jankevics, was arraigned on May 11th, and at  
11 that time I set tomorrow as the deadline for the production of  
12 discovery to him. My hope, as we'll discuss shortly, is to put  
13 this case on the same schedule. But tell me about discovery  
14 with respect to Mr. Ozols.

15 MR. COFFMAN: So, we have already gotten discovery out  
16 to Mr. Jankevics, and as this defendant's discovery is not  
17 entirely but mostly the same, I believe we can get almost all  
18 of it to his counsel, Mr. Ozols' counsel, tomorrow. Like  
19 Mr. Jankevics, there are several electronic devices,  
20 approximately four, belonging to Mr. Ozols. It will take a  
21 little bit longer --

22 THE COURT: Slow down a little.

23 MR. COFFMAN: It will take a bit longer to get those  
24 copied and produced to Mr. Ozols. But the government, if it is  
25 permissible with the Court, will get the existing bank records

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1 and surveillance produced tomorrow and will produce the  
2 electronic discovery on a rolling basis as soon as possible.

3 THE COURT: And the electronic discovery, you said  
4 there are four phones, is that right?

5 MR. COFFMAN: Approximately four phones, your Honor.

6 THE COURT: And are those phones belonging to Mr.  
7 Jankevics or Mr. Ozols or both?

8 MR. COFFMAN: These, the ones I am speaking of now,  
9 belong to Mr. Ozols, and I am informed it is three phones and  
10 one laptop.

11 THE COURT: And they have been searched pursuant to a  
12 consent search warrant?

13 MR. COFFMAN: Mr. Ozols -- and this relates to another  
14 question your Honor will ask as well -- he did give a statement  
15 and did also give consent to search his electronic devices when  
16 he was arrested.

17 THE COURT: And the statement was Mirandized?

18 MR. COFFMAN: It was, your Honor.

19 THE COURT: All right. Aside from that electronic  
20 discovery and the statement, I assume bank records,  
21 surveillance photos, that sort of discovery?

22 MR. COFFMAN: Exactly.

23 THE COURT: All right.

24 All right. And how long do you think it would be  
25 before you were in a position to produce the electronic



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1 discovery from the phones and laptop?

2 MR. COFFMAN: So I know that there is a backlog at the  
3 FBI at the moment and so I don't want to give an estimate that  
4 turns out to be wrong. Agent Fox tells me that it would be  
5 appropriate to ask for three to four weeks.

6 THE COURT: All right. So, let me say I'll give you a  
7 week from today to produce the discovery in your possession  
8 other than the electronic discovery we've discussed.  
9 Obviously, if you can do it sooner than that, as soon as  
10 tomorrow, that would be even better, but out of an abundance of  
11 caution I will give you one week.

12 Now, with respect to the electronic discovery, I will  
13 give you four weeks from tomorrow. So, that would be  
14 June 22nd. And to the extent that you receive anything sooner  
15 than that, you should turn it over promptly and on a rolling  
16 basis, but hopefully with that deadline in particular you will  
17 be able to get it done within four weeks and, if not, you can  
18 let me know.

19 Now, Mr. Kirton, at the May 11th proceeding that I  
20 mentioned with respect to the other defendant, I gave the  
21 defendant a fairly generous deadline for the filing of any  
22 motions, in part because of counsel's trial schedule in other  
23 cases and in part because I anticipated that Mr. Ozols would  
24 appear at some later date and my hope was to put him on the  
25 same schedule. So, I don't know if you are familiar with the

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1 schedule that I set there, but motions would be due by  
2 October 19th, opposition to any motions due by November 2nd,  
3 and any replies due by November 9th. Any reason that that  
4 schedule would not work for you?

5 MR. KIRTON: That is fine, your Honor.

6 THE COURT: Great. So I'll set those same deadlines  
7 here. And then the next pretrial conference, together with  
8 Mr. Jankevics, would be on October 23rd at 3 in the afternoon.  
9 As I indicated in the matter -- in the conference with  
10 Mr. Jankevics, if there are any motions filed, counsel should  
11 be prepared to address them. I am not saying I wouldn't let  
12 the motion proceed to be fully briefed, but obviously if it is  
13 something that we could address without the need for briefing,  
14 then you should be prepared to do so at that conference. And  
15 if there is a need for a hearing, we would set it at that  
16 conference. And regardless of whether there are motions filed  
17 or not, my practice is to set a firm trial date at the second  
18 pretrial conference. So, in advance of the  
19 October 23rd conference, you should confer with one another  
20 with respect to how long a trial this matter would likely take  
21 and when you would want to have it. Within reason, I am happy  
22 to commodate your desires on that front but with the  
23 understanding that when I set a trial date, it is a firm date.

24 Time was previously excluded through October 23rd, so  
25 I don't think there is any need to do anything on that score

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1 here. But any objection to that, Mr. Kirton?

2 MR. KIRTON: No, your Honor.

3 THE COURT: All right. So out of an abundance of  
4 caution, I will exclude time as to Mr. Ozols as well between  
5 today and October 23, 2018. I find that the ends of justice  
6 served by excluding that time outweigh the interests of the  
7 public and the defendant in a speedy trial, to allow the  
8 defendant and defense counsel to review the discovery and  
9 consider and prepare any motions that he would want to file.

10 Anything else to discuss, Mr. Coffman?

11 MR. COFFMAN: No, your Honor.

12 THE COURT: Mr. Kirton?

13 MR. KIRTON: No, your Honor. Thank you.

14 THE COURT: All right. In that case, I wish everybody  
15 a happy holiday weekend, and I will stay on the bench but the  
16 matter is adjourned. Thank you.

17 MR. COFFMAN: Thank you, your Honor.

18 (Adjourned)